

1962

ANNUAL REPORT

OF

The Belt Railway Company

of **CHICAGO**

FOR THE

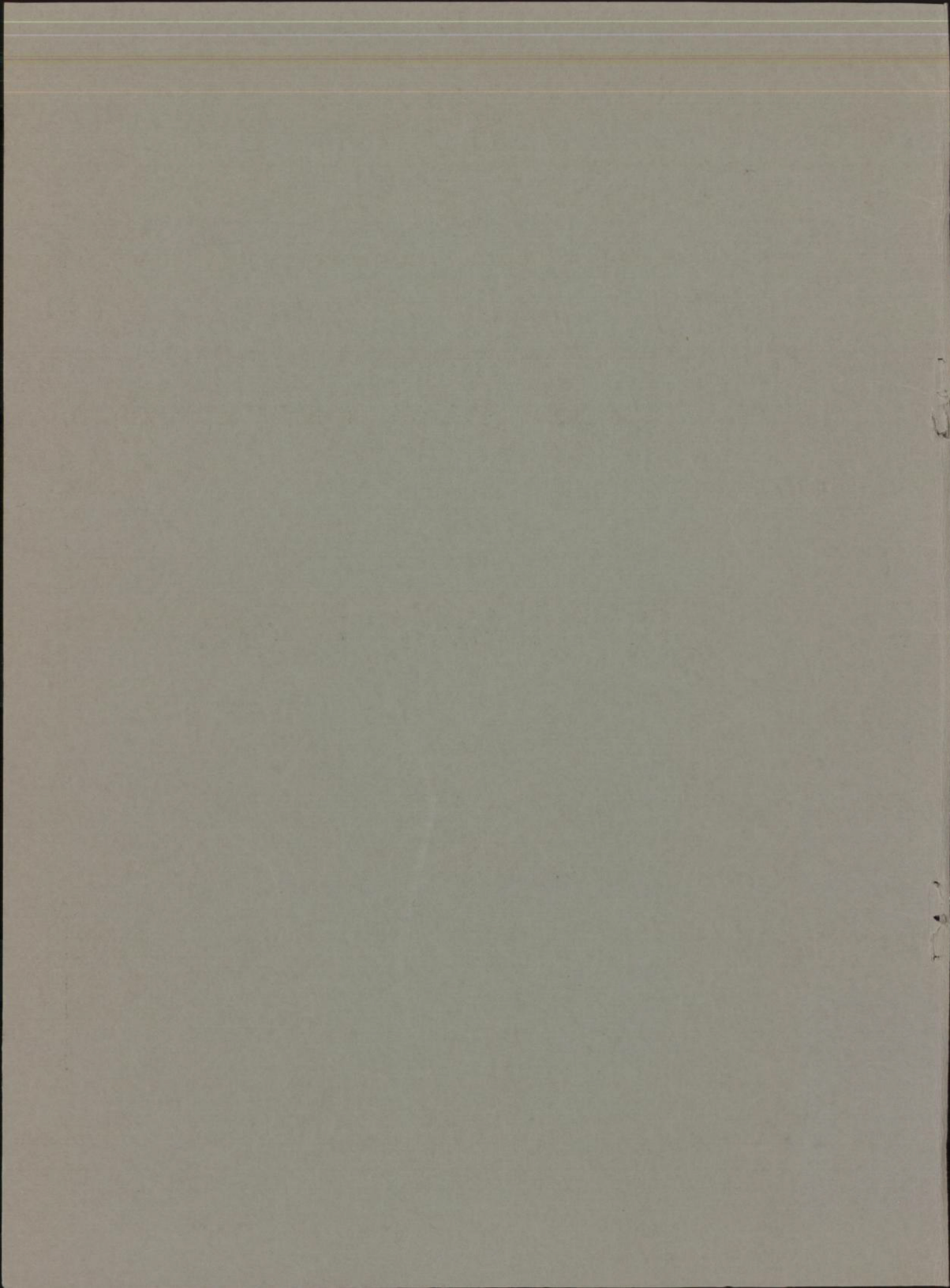
YEAR ENDED DECEMBER 31, 1962

BOARDS

MRT

652.0973

B419a



ORGANIZATION

DIRECTORS

R. G. RYDIN, The Atchison, Topeka and Santa Fe Ry. Co. Chicago, Ill.
M. I. DUNN, The Chesapeake and Ohio Ry. Co. Cleveland, Ohio
DAVID O. MATHEWS, Chicago & Eastern Illinois R.R. Co. Chicago, Ill.
H. C. MURPHY, Chicago, Burlington & Quincy R.R. Co. Chicago, Ill.
O. W. LIMESTALL, Chicago, Rock Island and Pacific R.R. Co. Chicago, Ill.
GARRET C. WHITE, Erie-Lackawanna R.R. Co. Cleveland, Ohio
H. A. SANDERS, Grand Trunk Western R.R. Co. Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central R.R. Co. Chicago, Ill.
HENRY J. BUCHMAN, Monon R. R. New York, N. Y.
H. W. LARGE, The Pennsylvania R.R. Co. Chicago, Ill.
J. D. BOND, Soo Line R.R. Co. Minneapolis, Minn.
H. H. PEVLER, Wabash R.R. Co. St. Louis, Mo.

EXECUTIVE COMMITTEE

J. D. BOND, Chairman

H. H. PEVLER

R. G. RYDIN

GARRET C. WHITE

O. H. ZIMMERMAN

OFFICERS

President and General Manager L. A. EVANS
Vice President and Auditor I. A. SCHILKE
General Counsel F. C. GAGEN
Secretary and Treasurer J. R. EKHOLM
Assistant Auditor C. L. HOLT
Assistant Secretary and Assistant Treasurer C. J. SOKEL

GENERAL OFFICES

DEARBORN STATION, CHICAGO, ILLINOIS

ANNUAL MEETING

SECOND TUESDAY IN APRIL

GENERAL REMARKS

Chicago, April 9, 1963

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1962.

OPERATING REVENUES:

Total operating revenues for the year were \$13,725,611 compared with \$13,275,321 in 1961, an increase of \$450,290, or 3.4 per cent. Total loaded cars handled in Belt Separate Operation, which comprises the principal source of operating revenue, increased 9,308, or 1.8 per cent, reflecting an increase of .5 per cent in nation-wide carloadings for 1962.

OPERATING EXPENSES:

Total gross operating expenses in 1962 were \$12,088,818, or \$294,453 (2.5 per cent) more than 1961; higher wage rates amounted to \$111,903. Operating ratio decreased to 71.94 from 72.28 in 1961.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense decreased \$194,169, or 12.7 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$119,867, or 10.5 per cent, reflecting reduction in expenses principally in accounts "Rails," "Other Track Material," "Track Laying and Surfacing," and "Signals and Interlockers." The increase in account "Removing Snow, Ice and Sand" was due to the heavy snowfall experienced January through March 1962. Higher wages amounted to \$17,297. Operating ratio decreased to 7.44 from 8.60 in 1961.

Rail replacements in 1962 were 243 gross tons of new and 77 gross tons of secondhand rail, compared with renewal of 441 gross tons of new and 625 gross tons of secondhand rail in 1961.

There were 5,415 crossties and 94,903 feet B.M. switch ties installed during the year, compared with 5,200 crossties and 67,730 feet B.M. switch ties placed in 1961.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense decreased \$9,972, or .8 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$6,335, or .6 per cent. Higher wages amounted to \$13,660. Operating ratio decreased to 8.04 from 8.35 in 1961.

TRAFFIC:

Gross Traffic expense decreased \$9,864, or 8.9 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$7,944, or 9.1 per cent. Higher wages amounted to \$766.

TRANSPORTATION:

Gross Transportation expense increased \$498,482, or 6.0 per cent; that portion chargeable to Belt Railway Separate Operation increased \$403,489, or 5.9 per cent. Higher wages amounted to \$74,251. Operating ratio increased to 52.44 from 51.18 in 1961.

GENERAL:

Gross General expense increased \$9,976, or 1.7 per cent; that portion chargeable to Belt Railway Separate Operation increased \$8,353, or 1.8 per cent. Higher wages amounted to \$5,930. Operating ratio decreased to 3.44 from 3.49 in 1961.

RAILWAY TAX ACCRUALS:

Decrease of \$44,446 is due principally to decrease in general property tax accrual, less increase in payroll taxes under the Federal Railroad Retirement and Railroad Unemployment Insurance Acts. (Detail of Railway Taxes on page 6.)

JOINT FACILITY RENT INCOME:

Decrease of \$101,604 is due to decrease in Belt deficit apportioned to owner lines, and decrease in owner lines' proportion of rentals and taxes.

HIRE OF FREIGHT CARS:

Increase of \$151,500, or 14.0 per cent, is principally due to delay in loading and unloading cars by industries, evidenced by the substantial increase (\$104,942) in demurrage income; also slightly slower average movement of cars due to more severe weather in 1962.

RENT FOR LEASED ROADS AND EQUIPMENT:

INTEREST ON FUNDED DEBT:

Decrease of \$612,341 in account "Rent for Leased Roads and Equipment" and increase of \$647,024 in account "Interest on Funded Debt" are principally due to Belt Railway purchase of the "Belt Division" from the Chicago and Western Indiana Railroad.

DIVIDEND:

In view of the deficit of \$18,394 from Belt Railway operations for the year 1962 and the deficit of \$1,278,582 in the retained income account, no dividend was paid.

WAGE AND LABOR RELATIONS:

Agreement dated June 5, 1962 between railroads represented by the Eastern, Western and Southeastern Carriers' Conference Committees and the employees of such railroads represented by the Employees' National Conference Committee, eleven cooperating railway labor organizations provides for wage increases of four cents per hour effective February 1, 1962 and 6.28 cents per hour effective May 1, 1962, or a total of 10.28 cents per hour for the non-operating group.

Strike of locomotive engineers occurred at 10 p.m. May 2, 1962. Normal operations were resumed at 2:30 p.m. May 3, 1962 in accordance with restraining order issued by Judge M. L. Igoe in the United States District Court for the Northern District, Eastern Division. Mediation proceeding and arbitration under the Railway Labor Act of the issues involved were unsuccessful, and subsequently a Presidential Emergency Board No. 150 was created August 7, 1962 to investigate the disputes. No decision was reached as of December 31, 1962.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year twenty-seven new industries were located and twenty-two vacated, compared with ten located and twenty-eight vacated in 1961.

LAKE CARGO COAL:

Lake cargo coal operation at the Rail to Water Transfer Corporation facilities, South Chicago, opened April 4, approximately eight days later than in 1961, and closed December 2, the same date as the previous year's closing. Coal tonnage handled over the facilities during the year totaled 5,116,434, an increase of 161,527 tons, or 3.3 per cent, over the previous year.

CHICAGO REGIONAL PORT AUTHORITY:

During 1962 the Interstate Commerce Commission denied petitions of the Rock Island and Nickel Plate Railroad Companies for re-consideration and further hearing in connection with the application of the Belt and other companies to serve the Calumet Harbor of the Chicago Regional Port District. A further petition of the Rock Island and the Nickel Plate Company for re-consideration is pending before the Interstate Commerce Commission. The complaint of the Nickel Plate and Rock Island in the District Court of the United States for the Northern District of Ohio, Eastern Division, to set aside the order of the Interstate Commerce Commission in the matter referred to has been held in abeyance pending the disposition by the Interstate Commerce Commission of the several petitions for re-consideration.

EXERCISE OF BELT OPTION:

In order to obtain funds to purchase the Belt Division from the Chicago and Western Indiana Railroad Company pursuant to the option set forth in its lease from that Company dated November 1, 1912, The Belt Railway Company of Chicago executed a First Mortgage and Deed of Trust dated as of August 15, 1962, to Bankers Trust Company, Trustee, securing an authorized issue of \$75,000,000 First Mortgage bonds, including \$37,250,000 of 4-5/8% Sinking Fund bonds, Series A, due August 15, 1987, and authority of the Interstate Commerce Commission was obtained. Said principal amount of Series A bonds was sold under competitive bidding to a syndicate under the management of The First Boston Corporation at a price of 100.094, an average interest cost of 4.621 per cent. Said bonds were guaranteed jointly and severally by the proprietary railway companies of the Belt Company.

SPECIAL:

On September 27, 1962 The Belt Railway Company of Chicago acquired 2400 shares of the 4800 shares of the capital stock of the Belt Company held by The Chesapeake and Ohio Railway Company at a price of \$10,000. These 2400 shares of Belt Company stock were acquired by the Chesapeake Company as a result of merger of the Pere Marquette Railway Company into The Chesapeake and Ohio Railway Company in 1947.

Construction of a new office building at Clearing was begun early in 1963 and upon completion about June 1, 1963 the general offices of The Belt Railway Company of Chicago will be located at 6900 South Central Avenue, Chicago 38, Illinois.

Detailed statement of the accounts of the Company will be found in the following tables.

The Board desires to express its appreciation for the co-operation and contributions of the employees and managerial staffs during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

REPORT OF AUDITOR

The statements included in this report have been prepared from records maintained under my supervision and to the best of my knowledge and belief set out the amounts shown in accordance with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission.

I. A. SCHILKE

Vice President & Auditor

Chicago, Illinois

March 15, 1963

INCOME STATEMENT

For the Year ended December 31, 1962, compared with the
Year ended December 31, 1961

	1962	1961	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$ 5,229,879	\$ 5,187,223	\$ 42,656
Local switching	8,018,021	7,728,135	289,886
Storage - freight	125	-	125
Demurrage	402,432	297,490	104,942
Rents of buildings and other property	1,042	1,045	(3)
Miscellaneous	74,112	61,428	12,684
Total railway operating revenues	\$13,725,611	\$13,275,321	\$ 450,290
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	\$ 1,021,160	\$ 1,141,027	\$ (119,867)
Maintenance of equipment	1,102,892	1,109,227	(6,335)
Traffic	79,654	87,598	(7,944)
Transportation-Rail line	7,197,488	6,793,999	403,489
General	472,333	463,980	8,353
Total railway operating expenses	\$ 9,873,527	\$ 9,595,831	\$ 277,696
(Detail pages 13-16)			
Net revenue from railway operations	\$ 3,852,084	\$ 3,679,490	\$ 172,594
Operating ratio	71.94	72.28	(.34)
RAILWAY TAX ACCRUALS:			
General property	\$ 1,062,450	\$ 1,125,094	\$ (62,644)
Federal income	66,248	79,426	(13,178)
Retirement	464,522	443,819	20,703
Unemployment	256,289	246,596	9,693
Other	6,954	5,974	980
Total railway tax accruals	\$ 1,856,463	\$ 1,900,909	\$ (44,446)
Railway operating income	\$ 1,995,621	\$ 1,778,581	\$ 217,040
RENT INCOME:			
Rent from locomotives	\$ 24,622	\$ 24,464	\$ 158
Rent from work equipment	2,754	2,570	184
Joint facility rent income	924,637	1,026,241	(101,604)
Total rent income	\$ 952,013	\$ 1,053,275	\$ (101,262)
RENTS PAYABLE:			
Hire of freight cars-Debit balance	\$ 1,234,636	\$ 1,083,136	\$ 151,500
Rent for locomotives	44	21	23
Rent for work equipment	227	145	82
Joint facility rents	115,952	129,144	(13,192)
Total rents payable	\$ 1,350,859	\$ 1,212,446	\$ 138,413
Net rents	\$ (398,846)	\$ (159,171)	\$ (239,675)
Net railway operating income	\$ 1,596,775	\$ 1,619,410	\$ (22,635)

INCOME STATEMENT - Concluded
For the Year ended December 31, 1962, compared with the
Year ended December 31, 1961

	1962	1961	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	\$ 31,162	\$ 30,963	\$ 199
Miscellaneous rent income	159,846	134,644	25,202
Income from non-operating property	1,165	-	1,165
Interest income	66,978	47,125	19,853
Miscellaneous income	71,073	14,144	56,929
Total other income	\$ 330,224	\$ 226,876	\$ 103,348
Total income	\$1,926,999	\$1,846,286	\$ 80,713
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	\$ 1,489	\$ 1,821	\$ (332)
Miscellaneous income charges	86,919	38,018	48,901
Total miscellaneous deductions	\$ 88,408	\$ 39,839	\$ 48,569
Income available for fixed charges	\$1,838,591	\$1,806,447	\$ 32,144
FIXED CHARGES:			
Rent for leased roads and equipment	\$1,154,169	\$1,766,510	\$ (612,341)
Interest on funded debt	687,249	40,225	647,024
Interest on unfunded debt	10	-	10
Amortization of discount on funded debt ..	1,982	-	1,982
Total fixed charges	\$1,843,410	\$1,806,735	\$ 36,675
Income after fixed charges	\$ (4,819)	\$ (288)	\$ (4,531)

RETAINED INCOME-UNAPPROPRIATED
To December 31, 1962

Debit balance January 1, 1962	\$ 1,273,763
Debit balance transferred from income - Year 1962	4,819
Debit balance December 31, 1962	<u>\$ 1,278,582</u>

COMPARATIVE GENERAL BALANCE SHEET ASSETS

	December 31, 1962	December 31, 1961	Increase or (Decrease)
CURRENT ASSETS:			
Cash	\$ 234,846	\$ 42,778	\$ 192,068
Temporary cash investments	2,103,832	1,726,221	377,611
Traffic and car-service balances-Dr..	211,075	214,518	(3,443)
Net balances receivable from agents and conductors	36,771	43,595	(6,824)
Miscellaneous accounts receivable ...	826,556	992,513	(165,957)
Interest and dividends receivable ...	138	3,521	(3,383)
Accrued accounts receivable	590,221	693,563	(103,342)
Working fund advances	637	699	(62)
Prepayments	54,274	84,673	(30,399)
Material and supplies	521,397	523,832	(2,435)
Total current assets	\$ 4,579,747	\$ 4,325,913	\$ 253,834
SPECIAL FUNDS:			
Capital and other reserve funds	\$ 450,786	\$ -	\$ 450,786
Insurance and other funds	12,473	13,354	(881)
Total special funds	\$ 463,259	\$ 13,354	\$ 449,905
INVESTMENTS:			
Other investments	\$ 1,200,000	\$ 1,697,098	\$ (497,098)
PROPERTIES:			
Road (See Pages 10 and 11)	\$33,964,514	\$ 524	\$33,963,990
Equipment (See pages 11 and 18)	6,613,282	4,336,985	2,276,297
Improvements on leased property	25,092	20,120	4,972
Total transportation property	\$40,602,888	\$ 4,357,629	\$36,245,259
Accrued depreciation - Equipment	(5,176,137)	(1,941,195)	3,234,942
Total transportation property less recorded depreciation and amortization	\$35,426,751	\$ 2,416,434	\$33,010,317
Miscellaneous physical property	1,257,327	-	1,257,327
Total properties less recorded depreciation and amortization ...	\$36,684,078	\$ 2,416,434	\$34,267,644
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	\$ 17,252	\$ 21,871	\$ (4,619)
Reserve for replacement of equip- ment leased from C&W I R.R. Co.- Retired-Equipment purchased from payments made by Belt Ry. Co. in anticipation of retirements	-	909,760	(909,760)
Unamortized discount on long term debt	138,182	-	138,182
Other deferred charges	65,376	3,515	61,861
Total other assets and deferred charges	\$ 220,810	\$ 935,146	\$ (714,336)
Total assets	\$43,147,894	\$ 9,387,945	\$33,759,949

DECEMBER 31, 1962 AND DECEMBER 31, 1961
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1962	December 31, 1961	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable	\$ 577,201	\$ 648,245	\$(71,044)
Miscellaneous accounts payable	182,277	188,404	(6,127)
Unmatured interest accrued	653,143	664	652,479
Accrued accounts payable	95,094	110,920	(15,826)
Federal income taxes accrued	70,000	85,000	(15,000)
Other taxes accrued	1,172,000	1,215,440	(43,440)
Other current liabilities	11,141	14,240	(3,099)
Total current liabilities	\$ 2,760,856	\$ 2,262,913	\$ 497,943
LONG-TERM DEBT, DUE, WITHIN ONE YEAR:			
Equipment obligations and other debt	\$ -	\$ 118,000	\$(118,000)
LONG-TERM DEBT:			
First Mortgage 4-5/8% Sinking Fund Bonds, Series A, due August 15, 1987	\$37,250,000	\$ -	\$37,250,000
Amounts payable to affiliated companies..	1,274,881	2,167,545	(892,664)
Total long-term debt	\$38,524,881	\$ 2,167,545	\$36,357,336
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	\$ 18,120	\$ 7,812	\$ 10,308
Reserve for replacement of equipment leased from C&WI R.R. Co. - Retired - Equipment in the original inventory and replacements thereof	-	678	(678)
Reserve for replacement of equipment leased from C&WI R.R. Co. - Retired - Equipment purchased from bond proceeds and replacements thereof	-	131,367	(131,367)
Reserve for replacement of fixed physical property retired and not replaced, Lease November 1, 1912 with C&WI R.R. Co.	-	3,395	(3,395)
Other deferred credits	12,619	18,754	(6,135)
Reserve for depreciation on road property leased from C&WI R.R. Co.	-	1,825,699	(1,825,699)
Reserve for depreciation on equipment leased from C&WI R.R. Co.	-	1,005,545	(1,005,545)
Total other liabilities and deferred credits	\$ 30,739	\$ 2,993,250	\$(2,962,511)
SHAREHOLDERS' EQUITY:			
Capital stock issued \$3,120,000			
Less held by or for company 240,000(A)	\$ 2,880,000	\$ 3,120,000	\$(240,000)
Capital surplus:			
Paid-in surplus	230,000	-	230,000
Retained income - unappropriated	(1,278,582)	(1,273,763)	(4,819)
Total Shareholders' equity	\$ 1,831,418	\$ 1,846,237	\$(14,819)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$43,147,894	\$ 9,387,945	\$33,759,949

(A) Owned one-twelfth each - AT&SF, C&O, C&EI, CB&Q, CRI&P, Erie-Lackawanna, GTW,
IC, Monon, Penn., Soo Line, Wabash.

INVESTMENT IN TRANSPORTATION PROPERTY DURING THE YEAR

	Acquired Properties		Retire- ments	Net Investment
	From C&WI RR. Co. Aug. 15, 1962	Subsequent to Aug. 15, 1962		
ROAD				
Engineering	\$ 929,831	\$ 41	\$ 970	\$ 928,902
Land for transportation purposes.....	6,755,526			6,755,526
Grading	6,014,226	629	10,097	6,004,758
Bridges, trestles and culverts.....	2,641,918	1,116	284	2,642,750
Ties	1,405,388	2,435	704	1,407,119
Rails	3,361,847	6,460	1,324	3,366,983
Other track material	2,473,849	8,936	8,208	2,474,577
Ballast	778,832	725	220	779,337
Track laying and surfacing	1,381,438	4,031	920	1,384,549
Fences, snowsheds and signs	6,121			6,121
Station and office buildings	916,147	17,785	962	932,970
Roadway buildings	83,290	5,010		88,300
Water stations	75,043			75,043
Fuel stations	85,061			85,061
Shops and engine houses	882,477		811	881,666
Wharves and docks	55,084			55,084
Communication systems	125,898	742		126,640
Signals and interlockers	1,865,030	11,984	1,396	1,875,618
Power plants	84,317			84,317
Power-transmission systems	148,974			148,974
Miscellaneous structures	88,510			88,510
Roadway machines	282,613	24,204		306,817
Carried forward	\$30,441,420	\$84,098	\$25,896	\$30,499,622

INVESTMENT IN TRANSPORTATION PROPERTY - CONCLUDED

DURING THE YEAR

	Acquired Properties		Retire- ments	Net Investment
	From C&WI RR. Co. Aug. 15, 1962	Subsequent to Aug. 15, 1962		
ROAD Brought forward	\$30,441,420	\$ 84,098	\$25,896	\$30,499,622
Roadway small tools	18,493	101		18,594
Public improvements-construction..	960,878	782		961,660
Shop machinery	198,052	169	342	197,879
Power plant machinery	318,091			318,091
Unapplied construction material and supplies	13,154			13,154
General expenditures Accounts 71, 72, 73, 74, 75 & 77	256,399		268	256,131
Interest during construction	1,705,601		1,770	1,703,831
Total Road	\$33,912,088	\$ 85,150	\$28,276	\$33,968,962
EQUIPMENT				
Other locomotives	\$ 1,855,350	\$ 11,434	\$	\$ 1,866,784
Freight-train cars	240,748			240,748
Work equipment	86,845			86,845
Miscellaneous equipment	73,774	10,352	2,206	81,920
Total Equipment	\$ 2,256,717	\$ 21,786	\$ 2,206	\$ 2,276,297
TOTAL	\$36,168,805	\$106,936	\$30,482	\$36,245,259

FUNDED DEBT

The following is a detailed statement
of the funded debt of the Company

December 31, 1962:

First Mortgage Bonds issued

August 15, 1962 due August 15,

1987 Bankers Trust Company,

New York, Trustee

Amount authorized \$75,000,000

Issued August 15, 1962-\$37,250,000

4-5/8% Sinking Fund Bonds Series

"A" due August 15, 1987

For purchase of property formerly

leased from Chicago and Western

Indiana Railroad Company \$37,250,000

Outstanding December 31, 1962 \$37,250,000

OPERATING EXPENSES

For the Year ended December 31, 1962, compared with the
Year ended December 31, 1961

	1962	1961	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 138,020	\$ 132,175	\$ 5,845
Roadway maintenance	103,623	108,156	(4,533)
Bridges, trestles, and culverts	9,509	15,257	(5,748)
Ties	40,517	31,582	8,935
Rails	24,982	56,455	(31,473)
Other track material	31,839	76,018	(44,179)
Ballast	2,188	822	1,366
Track laying and surfacing	211,634	266,523	(54,889)
Fences, snowsheds, and signs	1,301	2,123	(822)
Station and office buildings	47,454	51,600	(4,146)
Roadway buildings	5,993	9,074	(3,081)
Water stations	1,291	1,276	15
Fuel stations	427	763	(336)
Shops and enginehouses	25,725	31,621	(5,896)
Wharves and docks	-	35	(35)
Communication systems	37,616	34,768	2,848
Signals and interlockers	135,600	211,527	(75,927)
Power plants	4,298	5,655	(1,357)
Power-transmission systems	333	42	291
Miscellaneous structures	7,594	9,712	(2,118)
Road property - Depreciation (Leased) ..	99,978	162,363	(62,385)
Road property - Depreciation (Owned) ..	71,313	-	71,313
Retirements - Road	7,499	1,719	5,780
Roadway machines	13,317	12,890	427
Dismantling retired road property	5,820	27,464	(21,644)
Small tools and supplies	27,246	24,220	3,026
Removing snow, ice, and sand	108,445	67,370	41,075
Public improvements - Maintenance	7,019	6,154	865
Injuries to persons	11,850	8,628	3,222
Insurance	37,782	36,439	1,343
Stationery and printing	2,616	2,884	(268)
Employees health and welfare benefits ..	34,113	35,677	(1,564)
Right-of-way expenses	65	385	(320)
Maintaining joint tracks, yards and other facilities - Dr.	75,915	95,714	(19,799)
 Gross total	 \$1,332,922	 \$1,527,091	 \$(194,169)
 Maintaining joint tracks, yards and other facilities - Cr.	 311,762	 386,064	 (74,302)
 Net - Belt Railway - Separate operation	 \$1,021,160	 \$1,141,027	 \$(119,867)
 Ratio to operating revenues	 7.44	 8.60	 (1.16)

OPERATING EXPENSES - Continued
For the Year ended December 31, 1962 , compared with the
Year ended December 31, 1961

	1962	1961	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 80,865	\$ 78,689	\$ 2,176
Shop machinery	4,266	6,452	(2,186)
Power-plant machinery	25,450	25,236	214
Shop and power plant machinery - Depreciation (Leased)	6,688	10,770	(4,082)
Shop and power plant machinery - Depreciation (Owned)	4,680	-	4,680
Other locomotives - Repairs	425,494	463,472	(37,978)
Freight-train cars - Repairs	208,481	229,674	(21,193)
Work equipment - Repairs	15,383	2,976	12,407
Miscellaneous equipment - Repairs	11,992	11,635	357
Dismantling retired equipment (Leased)..	-	-	-
Equipment - Depreciation (Leased)	44,665	72,156	(27,491)
Equipment - Depreciation (Owned)	205,206	169,529	35,677
Injuries to persons	28,178	6,101	22,077
Insurance	54,825	55,859	(1,034)
Stationery and printing	3,285	4,058	(773)
Employees health and welfare benefits ..	26,058	27,304	(1,246)
Joint maintenance of equipment expenses - Dr.	130,435	122,012	8,423
Gross total	\$1,275,951	\$1,285,923	\$ (9,972)
Joint maintenance of equipment expenses - Cr.	173,059	176,696	(3,637)
Net - Belt Railway - Separate operation	\$1,102,892	\$1,109,227	\$ (6,335)
Ratio to operating revenues	8.04	8.35	(.31)
TRAFFIC:			
Superintendence	\$ 34,977	30,115	4,862
Outside agencies	62,325	76,626	(14,301)
Advertising	1,315	1,509	(194)
Stationery and printing	2,360	2,592	(232)
Employees health and welfare benefits ..	163	162	1
Gross total	\$ 101,140	\$ 111,004	\$ (9,864)
Charged to Owner Line operation	21,486	23,406	(1,920)
Net - Belt Railway - Separate operation	\$ 79,654	\$ 87,598	\$ (7,944)
Ratio to operating revenues	.58	.66	(.08)

OPERATING EXPENSES - Continued
For the Year ended December 31, 1962, compared with the
Year ended December 31, 1961

	1962	1961	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	\$ 321,059	\$ 315,153	\$ 5,906
Dispatching trains	61,109	58,792	2,317
Station employees	793,593	767,744	25,849
Weighing, inspection, and demurrage bureaus	4,211	4,572	(361)
Station supplies and expenses	79,054	72,598	6,456
Yardmasters and yard clerks	504,870	518,855	(13,985)
Yard conductors and brakemen	2,546,009	2,419,591	126,418
Yard switch and signal tenders	397,279	355,790	41,489
Yard enginemen	1,719,071	1,642,591	76,480
Yard switching fuel	299,300	303,170	(3,870)
Water for yard locomotives	3,716	3,535	181
Lubricants for yard locomotives	36,585	34,383	2,202
Other supplies for yard locomotives	29,735	25,385	4,350
Enginehouse expenses - Yard	170,286	173,395	(3,109)
Yard supplies and expenses	567,733	550,444	17,289
Crossing protection	40,939	42,140	(1,201)
Communication system operation	21,408	20,536	872
Employees health and welfare benefits ...	87,650	89,152	(1,502)
Stationery and printing	70,220	67,015	3,205
Other expenses	1,693	2,840	(1,147)
Insurance	55,364	57,193	(1,829)
Clearing wrecks	33,945	29,974	3,971
Damage to property	26,129	24,425	1,704
Loss and damage - Freight	92,376	103,508	(11,132)
Injuries to persons	251,860	85,106	166,754
Operating joint yards and terminals - Dr.	563,156	511,981	51,175
Gross total	\$8,778,350	\$8,279,868	\$ 498,482
Operating joint yards and terminals - Cr.	1,580,862	1,485,869	94,993
Net - Belt Railway - Separate operation	\$7,197,488	\$6,793,999	\$ 403,489
Ratio to operating revenues	52.44	51.18	1.26

OPERATING EXPENSES - Concluded
For the Year ended December 31, 1962, compared with the
Year ended December 31, 1961

	1962	1961	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 106,984	\$ 102,428	\$ 4,556
Salaries and expenses of clerks and attendants	272,514	274,192	(1,678)
General office supplies and expenses	36,033	42,103	(6,070)
Law expenses	63,623	51,450	12,173
Insurance	11,616	26,038	(14,422)
Employees health and welfare benefits	10,464	9,888	576
Pensions and gratuities	54,385	40,603	13,782
Stationery and printing	12,275	10,756	1,519
Valuation expenses	-	282	(282)
Other expenses	28,889	28,266	623
General joint facilities - Dr. ...	3,672	4,473	(801)
Gross total	\$ 600,465	\$ 590,479	\$ 9,976
General joint facilities - Cr. ...	128,122	126,499	1,623
Net - Belt Railway - Separate operation	\$ 472,333	\$ 463,980	\$ 8,353
Ratio to operating revenues	3.44	3.49	(.05)
Total gross	\$12,088,818	\$11,794,365	\$ 294,453
Total deductions	2,215,291	2,198,534	16,757
Total operating expenses - Belt Railway - Separate operation	\$ 9,873,527	\$ 9,595,831	\$ 277,696
Ratio to operating revenues	71.94	72.28	(.34)
Operating revenue per car	\$ 14.536	\$ 14.295	\$.241
Operating expenses per car	\$ 10.456	\$ 10.333	\$.123

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1962		1961		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	277, 146	29.35	277, 533	29.88	(- 14)
Empty cars	208, 919	22.12	207, 378	22.33	.74
LOCAL:					
Loaded cars	238, 950	25.31	229, 255	24.69	4.23
Empty cars	219, 251	23.22	214, 496	23.10	2.22
Total	944, 266	100.00	928, 662	100.00	1.68
TOTAL:					
Loaded cars	516, 096	54.66	506, 788	54.57	1.84
Empty cars	428, 170	45.34	421, 874	45.43	1.49
Total	944, 266	100.00	928, 662	100.00	1.68
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards	419, 904		413, 898		1.45
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago	440, 287		365, 823		20.36
Total cars handled	1, 804, 457		1, 708, 383		5.62

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1958	298, 936	276, 107	265, 701	250, 291	1, 091, 035
1959	316, 781	235, 163	267, 486	253, 362	1, 072, 792
1960	304, 974	224, 396	247, 010	227, 889	1, 004, 269
1961	277, 533	207, 378	229, 255	214, 496	928, 662
1962	277, 146	208, 919	238, 950	219, 251	944, 266

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1958	827, 565
1959	806, 877
1960	787, 097
1961	779, 721
1962	860, 191

EQUIPMENT OWNED

	Number on Hand Dec. 31 1961	Number Added During Year		Number Retired During Year	Number on Hand Dec. 31 1962
		From C & WI 8/15/62	Other Than C & WI		
Locomotives:					
Diesel	30	16			46
Freight-Train Cars:					
Caboose	5	28			33
Box	1	1			2
Total	6	29			35
Work Equipment:					
Flat cars	4				4
Gondola cars	2				2
Truck car	1				1
Refrigerator car	1				1
Instruction car.....	1				1
Wrecking derrick		1			1
Diesel clamshell		1			1
Tool car		1			1
Commissary car		1			1
Total	9	4			13
Miscellaneous Equipment:					
Automobile trucks.....	3	18		* 3	21
Station Wagon	1			1	-
Automobile trailer		2			2
4 Door Sedan			1		1
Total	4	20	1	4	24

* Retired before purchase from C. & W. I. R. R. on August 15, 1962.

MILEAGE OF TRACK OPERATED

	1962				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Owned by The Belt Railway Co., Cragin to South Chicago including Clearing Yard	27.16	25.60	-	305.03	357.79
B - Leased from other companies,					
Chicago, Peoria & Western (Argo)....	-	-	-	.52	.52
Clearing Industrial District (North)	-	-	-	12.89	12.89
Clearing Industrial District (South)	-	-	-	2.02	2.02
Total	-	-	-	15.43	15.43
C - Operated under trackage rights from other companies					
C. & W. L. R. R. Co.					
Pullman Jct. to Burnham	6.75	6.77	2.30	4.69	20.51
80th to 134th St. (Dolton Branch)...	6.74	6.76	3.81	.29	* 17.60
40th St. to 74th St.	-	-	4.26	-	* 4.26
C. R. I. & P. Ry. - South Chicago	-	-	-	1.57	1.57
P. F. W. & C. Ry. - South Chicago	-	-	-	.09	.09
I. H. B. R. R. - 55th to Elsdon	1.41	1.40	-	-	* 2.81
B. & O. C. T. R. R. - Clearing to Proviso	9.05	8.09	-	13.70	30.84
B. & O. C. T. R. R. - Southwest Division (Cicero District)	-	-	-	6.08	6.08
N. Y. C. & St. L. R. R. - Ford Yd. & Lead.	-	-	-	1.26	1.26
Calumet Western R. R. - 112th to 116th.	.51	-	-	-	.51
Pennsylvania R. R. & I. H. B. R. R. (Joint) 116th to 117th	.11	-	-	-	.11
Chicago, West Pullman & Southern - South Chicago	-	-	-	.09	.09
Elgin, Joliet & Eastern Ry. - Burnham	-	-	-	.17	.17
Total	24.57	23.02	10.37	27.94	85.90
Total Miles Operated	51.73	48.62	10.37	348.40	459.12

*Trackage Rights Not Exercised.

YARD TRACKS OWNED BY THE BELT RAILWAY CO. BUT NOT OPERATED

(Not included in above mileage)

Leased To	Location	Miles of Road
C. W. P. & S. R. R.	Warner Branch	1.46
C. & O. Ry. Co.	Rockwell St. Yard	9.20
Total		10.66

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
I. H. B. R. R.	Elsdon Branch	1.51
E. J. & E. R. R.	South Chicago to Mill Gate & South Deering...	3.40
Chicago Short Line	South Chicago to South Deering	2.90
Total		7.81

